

Message Text

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ACTION NEA-12

INFO OCT-01 ADP-00 TRSE-00 CIAE-00 INR-10 NSAE-00 RSC-01

EB-11 SS-15 SY-10 USSS-00 CPR-02 SSO-00 INRE-00 NSC-10

NSCE-00 RSR-01 COME-00 OMB-01 H-03 /077 W

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FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 4806

C O N F I D E N T I A L JIDDA 3750

E.O. 11652: GDS

TAGS: OVIP, SA

SUBJ: VISIT TO WASHINGTON OF CPO HEAD, HISHAM NAZER

REF STATE 171737

SUMMARY: YAMANI AND TAHER NOT RPT NOT PLANNING VISIT WASHINGTON AFTER SRI SEMINAR AND ACCORDINGLY WE SUGGEST NAZER VISIT BE SOLO AFFAIR. ALSO SUGGEST WE WAIT UNTIL NAZER IS INFORMED OF WHOLE SCHEDULE BEFORE CONFIRMING AGAIN SECRETARY SHULTZ AND UNDER SECRETARY CASEY WILL NOT RPT NOT BE PRESENT IN WASHINGTON. NAZER'S VISIT IS ONLY ONE IN PROSPECT FOR 1973 OF HIGH LEVEL SAUDI TO US AND WE WOULD HOPE ACCORDINGLY HE COULD SEE SECRETARY OR ACTING SECRETARY. CONSIDERABLE EMPHASIS IN DISCUSSIONS SHOULD BE GIVEN WE THINK TO QUESTION OF RAPIDLY RISING SAUDI FINANCIAL RESERVES, THOUGH HE SHOULD HAVE OPPORTUNITY TALK WITH AUTHORITIES IN NATIONAL PLANNING AND DEVELOPMENT FIELD. VISIT TO CONGRESSIONAL COMMITTEES MIGHT BE DESIRABLE. WE SUGGEST ALSO SOME MEASURES BY WAY OF SPECIAL HOSPITALITY. END SUMMARY

1. YAMANI TELLS US HE DOES NOT NOW PLAN TO VISIT WASHINGTON ON HIS FORTHCOMING TRIP TO US, AND TAHER HAS CONFIRMED SAME INFORMATION. UNLESS DEPARTMENT SEES COMPELLING REASONS (SUCH AS DESIRABILITY MAKING MORE CONFIDENTIAL

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THAN ONE TOP LEVEL SAUDI PLANNER AWARE OF SOME IMPORTANT NEW PHASE OF US POLICY), WE WOULD SUGGEST LEAVING NAZER VISIT AS SOLO AFFAIR WITH PERHAPS MORE FLATTERING IMPACT ON PRINCIPAL THAN IF OTHERS ASKED TO JOIN. YAMANI HAS,

OF COURSE, BEEN GIVEN PLENTY OF HIGH LEVEL ATTENTION
IN WASHINGTON ON OTHER OCCASIONS.

2. SECRETARY SHULTZ'S LETTER OF INVITATION INDICATED
HE MIGHT WELL BE ABSENT AT TIME OF NAZER VISIT AND
THAT ACCORDINGLY DEPUTY UNDER SECRETARY SIMON WOULD BE
RECEIVING NAZER. OUR INCLINATION WOULD BE NOT TO DRAW
THIS AGAIN TO NAZER'S ATTENTION AT THIS STAGE, AS
WELL AS ABSENCE OF UNDER SECRETARY CASEY, BUT SIMPLY
LET FACT BECOME EVIDENT WHEN DEPARTMENT CONTACTS NAZER
TO INFORM HIM OF FULL SCHEDULE OF APPOINTMENTS. WE THINK
IT WOULD BE MOST DESIRABLE IF NAZER COULD BE INVITED
PAY COURTESY CALL ON SECRETARY OR ACTING SECRETARY
OF STATE.

3. WE OFFER FOR DEPARTMENT'S CONSIDERATION ADDITIONAL
THOUGHTS FOR MANAGEMENT OF NAZER VISIT:

A. AS DEPARTMENT AWARE, PRIME ISSUE OF CONCERN
WITHIN SAUDI GOVERNMENT AT MOMENT IS WHAT TO DO WITH
RAPIDLY ACCUMULATING FINANCIAL RESERVES. GIVEN CONTINU-
ANCE OF PRESENT CALM BUT UNEASY POLITICAL ATMOSPHERE,
WE BELIEVE SAUDI POLICY RE LEVELS OF OIL PRODUCTION
MORE LIKELY AT THIS PARTICULAR MOMENT BE INFLUENCED BY
SAUDI FEELINGS REGARDING PROSPECTS FOR SAFE AND PROFITABLE
DISPOSAL OF ITS ACCUMULATING WEALTH THAN BY POLITICAL
CONSIDERATION. US PAPER PRESENTED TO C-20 RE ARAB INVEST-
MENTS HAS MADE FAVORABLE IMPRESSION HERE, INDICATING
CLEARLY TO SAUDIS US NOT ADVOCATING POLICIES RESTRICTIVE
OF ARAB FREEDOM OF MOVEMENT OF INVESTMENTS. NAZER VISIT
OFFERS OPPORTUNITY FOLLOW UP THIS GOOD BEGINNING WITH,
IF POSSIBLE, FURTHER POSITIVE SUGGESTIONS RE MANAGEMENT
SAUDI RESERVES, SO AS TO GIVE THEM REASSURANCE THAT WORLD
MONETARY AND FINANCIAL SYSTEMS CAN PROVIDE REASONABLE
PROTECTION AGAINST RAVAGES OF INFLATION AND DEVALUATION.
OUR IMPRESSION THAT NAZER, WHILE HIGHLY INTELLIGENT,
IS NOT MONETARY EXPERT AND ACCORDINGLY WHATEVER PRO-
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POSALS WE CAN MAKE IN THIS SPHERE SHOULD BE CAREFULLY
EXPLAINED TO HIM. WE THINK THEY SHOULD ALSO BE AS
OBJECTIVE AS POSSIBLE, I.E., SHOULD NOT APPEAR TO BE
SIMPLY A SYSTEM FOR FUNNELING SAUDI FUNDS EXCLUSIVELY
INTO US MONEY MARKETS AND INDUSTRY (THOUGH IT WILL OF COURSE
DO NO HARM MAKE NAZER UNDERSTAND THAT US INVESTMENT
MARKET IS BY FAR LARGEST IN WORLD).

B. NAZER SERVES ON MANY DIFFERENT COMMITTEES AND
HIS FUNCTIONS TOUCH EVERY ASPECT SAUDI ECONOMIC EXISTENCE.
AT SAME TIME HIS PRINCIPAL TASKS LIE IN PLANNING SPHERE
AND WE WOULD SUGGEST HIS SCHEDULE INCLUDE OPPORTUNITIES
DISCUSS ECONOMIC PLANNING AND DEVELOPMENT PROBLEMS

WITH BEST AUTHORITIES IN THIS FIELD, PRIVATE OR GOVERNMENT,
TO BE FOUND IN WASHINGTON.

C. WE HOPE AND BELIEVE NAZER WILL MAKE PERSUASIVE
AND ARTICULATE PRESENTATION OF SAUDI PROBLEMS (ASSUME
DEPARTMENT WILL BE GETTING REPORTS ON HIS SPEECHES BEFORE
AMERICAN ARAB CHAMBER AND COUNCIL ON FOREIGN RELATIONS
SINCE THESE MAY BE HELPFUL INDICATORS LINE HE PROPOSES
TO TAKE IN HIS CONTACTS IN US). WE HAVE SEEN NAZER
IN SEVERAL BRIEFINGS. HE IS ARTICULATE, PERSUASIVE,
HUMOROUS, WITH A FAINT TOUCH OF OVER-CONFIDENCE AND
ARROGANCE. WE UNDERSTAND HE HAS BEEN INSTRUCTED TAKE
MODERATE POLITICAL LINE BUT HE IS KNOWN TO BE MORE
INCLINED TO EXPRESS STANDARD ARAB FEELINGS REGARDING
MIDDLE EAST ISSUE THAN SOME OTHER MEMBERS OF SAUDI
HIGH COUNCILS. NEVERTHELESS, ON BALANCE WE BELIEVE
IT WOULD BE WORTHWHILE ASK NAZER IF HE WILLING MEET
WITH APPROPRIATE CONGRESSIONAL COMMITTEES. BELIEVE ALSO
NAZER WOULD WELCOME OPPORTUNITY SEE JOHN DUNLOP, COST
OF LIVING COUNCIL HEAD.

D. NAZER VISIT PROMISES TO BE MOST IMPORTANT
SINGLE CONTACT BETWEEN SAG AND USG OVER NEXT SEVERAL
WEEKS. HE WILL REPORT EXTENSIVELY TO KING, FAHD,
AND OTHER MEMBERS OF GOVERNMENT AFTER RETURN. HIS
OVERALL IMPRESSIONS WILL BE ALMOST AS IMPORTANT AS
SPECIFIC STATEMENTS OF US VIEWS WITH WHICH HE RETURNS.
ACCORDINGLY, WE WOULD HOPE HE MIGHT BE GIVEN SOME
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PERSONAL VIP TREATMENT. HE HAS GIVEN US FLIGHT AND
TIME OF ARRIVAL IN WASHINGTON EVENING SEPTEMBER 26, AND WE
WOULD URGE HE BE MET BY MEDIUM-LEVEL STATE OR TREASURY
OFFICIAL AND ESCORTED TO HOTEL. (COPY OF HIS ENTIRE
U. S. SCHEDULE BEING POUCHED.) FOR ALL SAUDIS SHOREHAM
IS PRESTIGE ACCOMMODATION IN WASHINGTON, AND IF POSSIBLE
HE SHOULD BE LODGED THERE. IN ACCORDANCE ACCEPTED
PRACTICE HERE, AND USUAL COURTESY EXTENDED BY SAUDI
GOVERNMENT TO VISITORS, IT WOULD BE MOST DESIRABLE
IF NAZER COULD BE INFORMED BY HOTEL ON ARRIVAL THAT USG
PICKING UP HOTEL TAB. IT WOULD BE HIGHLY DESIRABLE
HAVE CAR AND DRIVER PLACED AT HIS DISPOSAL AND ESCORT
OFFICER CALL FOR HIM AT HOTEL WHENEVER HE IS ABOUT TO
PROCEED FOR HIGH-LEVEL USG APPOINTMENT.

4. NO DOUBT DEPARTMENT ALREADY HAS IN MIND IMPLEMENTATION
SOME OF THESE STEPS, AND WE RECOGNIZE OTHERS ARE EXCEPTIONAL
TO USUAL PROCEDURES FOLLOWED FOR DISTINGUISHED GUESTS.
WISH POINT OUT, HOWEVER, THAT HE IS ONLY RPT ONLY HIGH-
LEVEL SAUDI VISITOR TO WHOM WE PROPOSING EXTEND ANY
HOSPITALITY DURING 1973. WHILE EMBASSY HAS NOT SO FAR
INDICATED TO NAZER HE WILL RECEIVE ANY OF THESE

COURTESIES, WE STRONGLY RECOMMEND THAT DEPARTMENT/TREASURY
PROFFER THEM.
THACHER

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<< END OF DOCUMENT >>

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